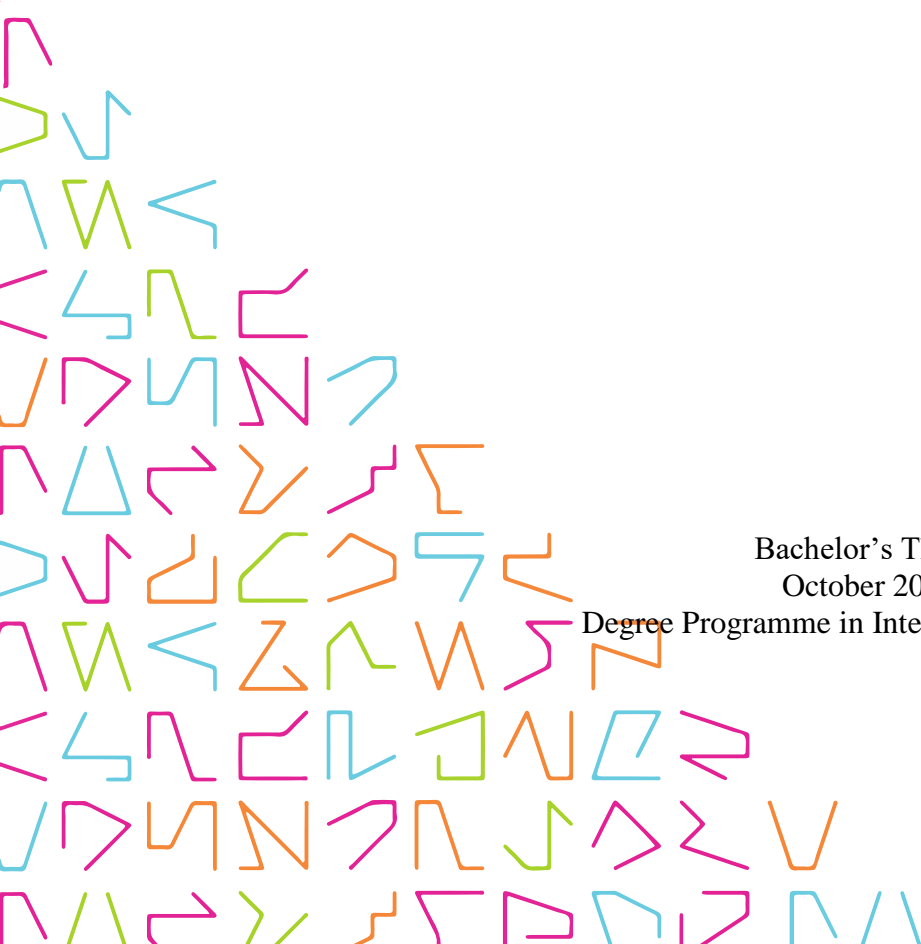


# **BUSINESS PLAN FOR A VIETNAMESE PHIN CAFÉ IN TAMPERE**

Nhu Thi Quynh Kangasniemi

Bachelor's Thesis  
October 2017

Degree Programme in International Business



## **ABSTRACT**

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Business Plan for a Vietnamese Phin Café in Tampere

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This study was about creating a comprehensive business plan for a brand-new Vietnamese café in Tampere, Finland. The primary objective was to gain thorough knowledge of current Finnish food and beverages field and its future market trends. The business plan was set up to guide the owner, at the very beginning stages of the business, and to serve as yardsticks for control measurements. The idea was to reach a niche market with a totally new concept of healthy drinks and culture meeting point place. The thesis is divided into five core chapters. First chapter is an introduction about the work, its purposes and objectives. Chapter two pays attention to the format of a business plan in theory built by its essential elements. Chapter three presents the research methods, data collection and the research key findings. Last but not least, discussion and suggestion section is written in chapter 5 to reveal the up-coming steps that the business will take after this work.

A research was conducted due to the need for understanding potential customers and relevant phenomena. Based on the target customer groups, qualitative methods were applied during the whole research process to approach in-depth information on customers' behaviours. The primary data collection happened during observation, interviews and secondary data collected from available published sources. The data were handled in focusing manner and important information was carefully sorted out to minimise the error of data analysis. Hypotheses were created as results of the research after the data interpreting stage. According to the findings, marketing strategies and competitive positioning were designed for Phin café to put its first step into the intensive chosen market.

Market research has showed positive signs towards the possibility of business to operate profitably and sustainably in the target market. At the same time, it also revealed the café's uniqueness by chasing wellness and vegan-friendly concept under the Vietnamese themed culture. Because of its distinction, there is no direct competitor in the market. However, the current market is overloaded with reputed rivals, which allows customers to easily access other alternatives. Therefore, it is essential to capture opportunity and conduct it properly to serve the underserved segment. Suggestion for the next step of Phin cafe would be carrying out a quantitative research with larger number of respondents to test out the hypotheses produced by this studying.

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Key words: business plan, entrepreneurship, authentic café, specialty coffee

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# 1 INTRODUCTION

## 1.1 Background

Inspired by the coffee drinking habit in Finland, this thesis is about creating a comprehensive business plan for a special Vietnamese-themed café. The store will be named under the Vietnamese coffee brewing filter called “Phin”. The Phin filter allows coffee to drip slowly with optimal timing and temperature. The way it is made, helps to extract and maintain the best flavour of coffee. Therefore, the business name will appeal customers by its uniqueness. The venture will be established in Tampere, the second biggest city region of Finland. Tampere is an active city, which enhances internationalism; people are nowadays more open-minded for new cultures to integrate into Finnish old traditions. This assumption can be proved by the increase of diversification in food culture throughout recent decades. The challenge of this project is to empower culture exchange and to enhance people’s awareness of modern coffee industry concepts, in terms of wellness drinks, fair-trade and sustainability. Along the studying, different puzzles will be gradually presented to form a complete picture of the business plan.

There are many café places in Tampere, ranging from small to chain business. However, they are not so different from many aspects. Customers can switch easily from one to another because of no competitive advantage. Basically, they all offer Finnish style sandwiches with salad lunch and same drinks menu. Being raised along with the rich coffee heritage in Vietnam, the author has huge passion in opening a personal brand for café selling signature café and snack food of Vietnam while using local products. The idea is generated as a mean to reach niche market in Tampere. Based on the author’s own observation, Vietnamese cafés and restaurants in Helsinki are quite popular and they attract a great number of customers every day. Nevertheless, none of such business has been operated in Tampere, meaning that the business has highly potential to succeed in this market. With the exotic food and beverages culture, customers will have a chance to get to know the diversity world right in their towns.

In addition to this, hand-made products will be displayed on shelves to stimulate customers’ buying behaviours. Those products are imported from Vietnam and sold here as a

tool to introduce Vietnamese culture to Finnish society. Customers can buy those products as a gift to their beloved friends and families or for their own purposes. Products are imported with limited editions, which can ensure each customer to have a characterized and unique experience.

## **1.2 Purposes and Objectives**

The purpose of this thesis is to create a strategic business plan for Phin cafe with details on service design, business strategy, marketing and financial plan. Based on the outcomes of this research, the intended learning objective is to gain a deeper understanding about Finnish Food & Beverage market, for the author's own advantages, to create competitive advantages in such a red ocean market. To somewhat extent, thorough knowledge of the market can lower the risks and barriers of a new business. In addition, the business plan can be served as a ticket for financial attraction from potential investors. The scope of this research is strict to create a business plan for the café. Business expansion, product import and supplier choices will not be discussed in this project.

From a general research topic, a more particular research problem should be defined. With the help of research questions, the research can be done in progress. Research questions are significantly relevant to research topic and determined to scale down the scope of research. (Wilson 2010, 42-44.) These questions will play an important role to guide the researcher to conduct research on the right track. In this case, a market research will be conducted to answer a set of research questions, which can be defined below:

### **1. What type of café place customers enjoy to visit more often?**

The first research question aims to reveal customers' favours towards the impression and atmosphere feelings of coffee shops. Some might prefer vintage style; some might prefer modern and creative designs. It is important to understand different effects of store outlooks on customers and the reasons behind their choices. People normally go to café to have fun time with their friends or just simply enjoy being alone. Hence, it is noteworthy to test the idea of separating individual area vs group area.

### **2. What services can a café offer to solve customers' needs? Why they choose one instead of another?**

The aim of this question is to listen to customers' wishes about what type of services they want and how a business can satisfy their requirements. According to that, a business can build products and services to reach and maintain potential customers.

### **3. How likely is that the business will succeed in Tampere?**

The success of a business depends significantly on the market and customers. A Vietnamese cafe model can be great in Helsinki but the same model can turn out to be a big failure in another city (in this case: Tampere). Therefore, it is essential to properly interpret customers' behaviours.

## **1.3 Frameworks and Models**

The theoretical framework for this thesis will be surrounded by the concept and content of a business plan. Throughout the work, a certain number of models will be introduced as tools to generate the business plan. The concepts involve topics of entrepreneurship and business plan. These frameworks and models will act as foundation for the empirical findings. The main sources of knowledge are found in a variety of academic books. Below is the introduction to three models which will be deployed in this thesis and will be further discussed in the later parts of the business plan.

Business models are introduced to provide the overview of business description. A useful business model needs to meet certain conditions like simple but highly relevant and updated. It acts as a common language to facilitate and to exploit the business concept. There are many models that have been innovated to handle the jobs and among those, business model Canvas has emerged as a powerful tool for entrepreneurs. Canvas model contains nine blocks covering different aspects of a business, served as a blueprint for business strategy. (Osterwalder & Pigneur 2010, 15.)

Swot analysis is considered to be a starting point for strategic planning. Simultaneously, it also serves for marketing plan purpose. There are 4 elements mentioned in SWOT analysis. The name SWOT consecutively stands for Strengths, Weaknesses, Opportunities and Threats; divided into two groups as internal factors (Strengths & Weaknesses) and external factors (Opportunities & Threats). In another dimension, this analysis can be formed by negative (W & T) and positive factors (S & O). The purpose of this analysis is

to guide the company through its current situation; according to that, create strategy to turn the negative sides into the positive sides. In order to properly conduct SWOT analysis, the company should always keep it simple, realistic and try to avoid over analysis and complication. (Investopedia.)

Another influential model for business is Porter's 5 forces. The model was created by professor Michael Porter from Harvard Business School in 1979 (Martin 2017). These forces are the factors, which have high impacts on the business; such as: Competitive Rivalry, Supplier Power, Buyer Power, Threat of New Entrants and Threat of Substitutions. Competition level within the company's market will be explained or revealed gradually, which helps the company to determine its position and power in its business sector.

#### 1.4 Research Process and Methodology

In this business plan for Phin café, the author will carry out a market research to understand the business's potential customers. Brown and Suter have defined that research process is "A general sequence of step that can be followed when designing and conducting research." (Brown & Suter 2012, 8). Figure 1 below will explain more elaborately about the research process:

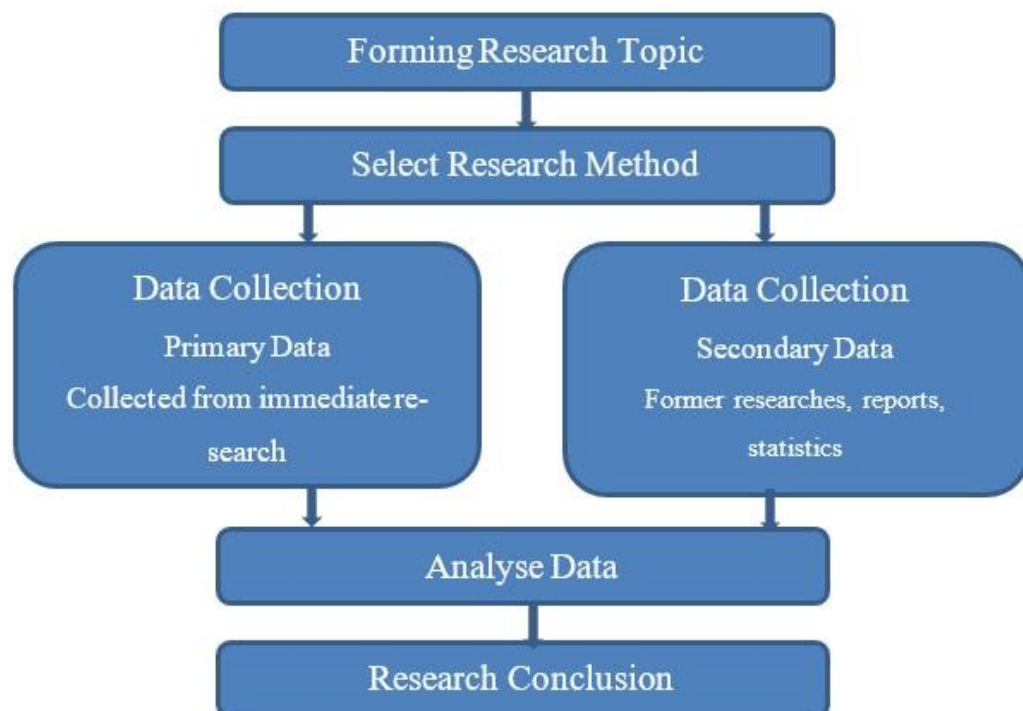


FIGURE 1. Research Process



Any research will go through basic research process illustrated in Figure 1. Starting from the first stage, a researcher has to define the research topic around the phenomenon that he/she wants to examine more. Then, he will have to decide on the research method as main approach to solve the problem. Later, the process flows with data collection and data analysing stages and from there, conclusions are made at the last step. This research is conducted to get an insight view on target customers' behaviours and based on that services can be designed to better meet customers' expectations. Concerning its purposes, induction research approach will be applied to discover the nature of the events (Saunders, Lewis & Thornhill 2009, 126-127). The writer is the main beneficiary from this research, therefore the researcher plays an important role in research process and has a great affection on the outcomes.

The research will mainly focus on qualitative approach with the combination of quantitative results gained from secondary data. Exploratory research design will be the core rhythm with the tools of observation method, bench marking and semi-structured interviews. The hypotheses created by this research can be a foundation for the next research with quantitative methods to increase the confidence in research feasibility. Primary data is collected from the writer's immediate research and Secondary data can be gained through some available sources of data. Data collected from the research will be interpreted and then implemented into the business plan. The research will take place in Tampere and Helsinki. There are some successful models of Vietnamese cafés in Helsinki; hence, it is inevitable that the research should pay attention to it. In addition, the business will be established in Tampere thus there is a notable need for understanding customers here as well.

## **1.5 Structure of studies**

The structure of this thesis is divided into five major parts. First chapter will be overall introduction about the thesis. This part contains the motivation of the whole studying, its purposes and objectives, the frameworks and models used to support the process and the selected research methodology. Second chapter will explain about the business plan definition and its core elements. During this section, readers will also get an overview on the planning process and the advantages achieved by doing it. Chapter 3 presents results of the market research conducted in qualitative approach. In this chapter, the primary and

secondary data collecting process is discussed in specific with details on date and number of visiting times in observation method, number of respondents in interviews and benchmarking with existing ventures. Chapter 4 will be the star of the entire work since it exhibits the practical business plan for Phin café. The plan composes of executive summary, company description, market analysis, product and services design, marketing plan and financial plan. This is the place where hypotheses created by market research will be applied. Chapter 5 is the final chapter, which focuses on conclusion and further recommendations for developing a better business plan. Last but not least, appendices are filled with attachments as supplementary documents for validating the research conclusions.

## **2 BUSINESS PLAN FORMAT**

### **2.1 Business Plan and Its Importance**

This section will go through the definition of a business plan, how important it is and why an entrepreneur should take it seriously for his business. Business plan is a roadmap that is prepared in the early stage of a business. Patsula (2004) emphasises that business plan is the core principle for entrepreneurs as a starting point. In such a context of fast-paced changing environment, new business requires a decent, somewhat elaborate planning to act as control measurement. (Patsula 2004, 3.) It is not necessarily formed like a written plan; however, in most of the cases, a written plan is preferred for visual purpose and for financial attraction. The business plan should be reviewed and updated according to the business lifetime.

Owners have remarkably taken advantages from an adequate business plan. Without it, company will behave like a lost star and soon enough will face many troubles. According to Barrow, Brown and Clarke (2006), there are some obvious benefits that a well-written business plan brings back for company like: allowing owners to make mistakes and figure out the solutions on the paper before entering the real marketplace; business plan as a mean of communicating about company strategy, creating common understanding between stakeholders in a feasible way; furthermore, as a call for external investment. (Barrow et al. 2006, 298-299.) Hence, it is necessary to invest an appropriate amount of time to create a business plan.

Pinson (2000) states that in order to write an effective business plan, the key method is using certain keyword approach. It involves questions starting with WH like (Who, What, Where, When, Why, How, How much) and a suitable business plan should be able to answer these questions in a precise, informative and logical manner. (Pinson 2000, 5.)

## 2.2 Business Plan Process

According to Burns (2007), the business planning process composes of 3 stages: Firstly (stage 1), you need to realise where you are, understand all of your surrounding environments; Secondly (stage 2), it's time to make choices about where you want to lead the business to; Last but not least (stage 3), make a strategy plan showing how to get there. The planning process is designed to be lean and systematic; acts as a guideline of keeping the owner stick to the correct route. (Burns 2007, 373-374.)

1. The stage 1 in Burns's planning process entails important factors that can affect your business like competitive advantages compared to competitors; market segments and customer behaviours; company's inner elements (Strengths and Weaknesses) and outer elements (Opportunities and Threats).
2. Stage 2 is the following step that entrepreneur should make decision on the company's mission, vision, aims and objectives. Objectives should be set to be practical, measurable and achievable. Once objectives are specified, they will be used as yardsticks to monitor business's performances.
3. Stage 3 is defined to be a complete sketch of planning. At this step, manager should develop strategies to obtain the target objectives. To progress these strategies, it requires the combination and cooperation of different managing departments like operation, people, marketing and finance. A carefully-drawing financial budgets should be considered in this stage; if external financial resources are required.

(Burns 2007, 374-375.)

Below is the business planning process adapted by the author with reference to Burns's business planning process. Figure 2 is designed to visualise the process for better understanding of the viewers.

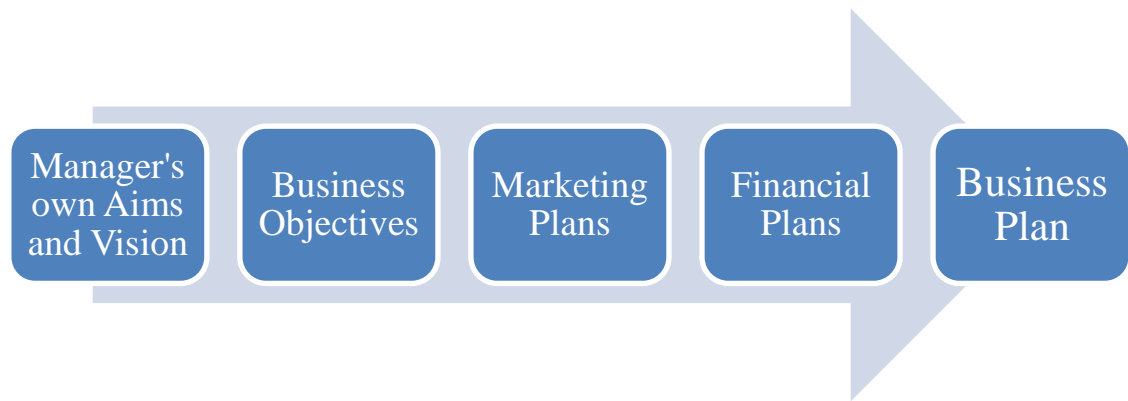


FIGURE 2. The Business Planning Process (Burns 2007, 376.)

### 2.3 Elements of A Business Plan

Depending on what purpose the business plan is used for and for whom it is presented, different plan formats will be taken into consideration. The writer's job is to make sure which form is suitable in a certain context. According to LaPan and Franks (2005), there is no perfectly right or wrong form for a business plan; nevertheless, some elements are concerned as essential in a business plan, which makes it look like a ready-made template. The plan should be able to convey your story coherently and succinctly otherwise it will affect vastly to your plan's competency in the running contest for investment call. (LaPan & Franks 2005, 21-22.) Below are some components that have been chosen to be the principle parts of a business plan, which consecutively are:

#### I. Executive Summary

This is one of the most important part of a business plan since it is the opening point of your story viewed by the readers; especially if the plan is written for capturing investors' interests. Executive summary is not an introduction but a summary, highlight of your business plan. The summary usually takes up to 1-2 pages, in which the entire plan will be resized into a shorter version. Some people might consider this part as an elevator pitch of the business. Because it is the first impression to the readers, as a consequence, if you fail to deliver your idea and story behind it; there is little chance that your business plan can receive sufficient attentions. (Patsula 2004, 43-44.) Lapan and Franks (2005) emphasise that executive summary should be written last in your plan in spite of its first position in the table of contents. It is evident that the owner will get more visible ideas on how to write the summary after putting efforts in developing the business story and supporting details. (Lapan & Franks 2005, 23.)

A good executive summary should include mission statement, products or services offer, competitive advantages, business strategies, potential to grow and financial requirements (Haden 2017).

## II. Company Plan

At this stage, the plan should deal with the company's legal structure, location choice, products and services description, purchasing plan and finding suppliers, business set up and operation plan. SWOT analysis will also be brought into use so that the owner could have a solid overview of factors affecting the business and the business current position.

## III. Marketing Plan

Marketing plan pays extreme attentions to customers and market analysis, based on that create a winning strategy for the company. According to Ward (2017), a good marketing plan should draw a map of steps showing how to persuade customers to buy your products/services instead of competitors' offers. The table below shows four key sections that are valuable in a marketing plan:

<b>Unique Selling Proposition</b> <ul style="list-style-type: none"> <li>➤ Products/Services Features</li> <li>➤ Benefits of using your Products/Services</li> <li>➤ What makes it unique compared to others?</li> </ul>	<b>Pricing Strategy</b> <ul style="list-style-type: none"> <li>➤ Cost-based pricing strategy or</li> <li>➤ Value-based pricing</li> <li>➤ Reasonable but still profitable</li> </ul>
<b>Sale/Distribution Plan</b> <ul style="list-style-type: none"> <li>➤ Distribution channels (Direct or Indirect)</li> <li>➤ Products/Services Delivery</li> <li>➤ Labelling, packaging</li> <li>➤ Payment method, return policy</li> <li>➤ Feedback handling</li> </ul>	<b>Advertising and Promotion Plan</b> <ul style="list-style-type: none"> <li>➤ Advertising channels (TV, newspaper, social medias...)</li> <li>➤ Promotion campaigns (coupons, free samples...)</li> </ul>

FIGURE 3. Key Sections in Marketing Plan (Ward 2017)

## IV. Financial Plan

The financial plan composes of different financial statements, which displays company's current and projected financial situation. This section will enable owners/managers to

determine how much capital they need to run a new venture and whether the company needs external investment. (Fontinelle 2007.) Detailed financial statements will be normally attached as appendices. Financial plan gives the readers a clear vision of venture's potential success and its ability to earn profits when brought into practical operation.

## V. Appendices

This part should include all the supporting documents that helps to clarify your story. It can be management team portfolio, company logo, product/service sketches, income statement, balance sheets or cash flow statements. (LaPan & Franks 2005, 24.)

The business plan template presented above is merely meant for reference. The author will modify and adjust so that it is suitable for the using purpose of Phin café.

### 3 RESULTS OF MARKET RESEARCH

#### 3.1 Qualitative Research Method

As mentioned before, the purpose of this research is to have an idea of market trends in food and beverage industry in Finland. This is a small-scale research, which focuses on the idea generation for a new Vietnamese coffee venture in Tampere. The resources to conduct this research are limited by time schedule and other factors. The author will first conduct the research, then gather the data and analyse it. According to the particular hypotheses created after data analysis, the products and services will be designed to fit into current market demands. The concept will be later tested by another following research, which focuses more on quantitative approach. There are three methods to collect primary data, applied in this research as follow:

- Observation method: The observation will take place in some Vietnamese cafés in Helsinki and some popular cafés in Tampere. The objectives of this method are the customers of these café. This method enables the researcher to observe customers' behaviours naturally and the customers do not know about being observed by another; hence, they will act regularly in a real case situation.
- Individual interviews: This method yields higher response rates compared to others mainly because it is harder to deny personal invitation. The interviewees are selected based on the target customers that the author aims for this project. The sample of six people are chosen to participate in the individual interview.
- Bench marking with Papu café (Papu café is an existing Vietnamese café established in central Helsinki in 2015). The author has an opportunity to read Papu café story through the owner's bachelor thesis, under the name "Business Plan for Existing Venture: Papu Café". This thesis was published in the early of year 2017 and created by the owner of the venture; therefore, the information gained from it are up-to-date, reliable and trustworthy. From Papu owner's studying, detailed information on company's financial report of previous operation year, business strategy moves and development orientations are presented; which facilitates the comparison feature between Phin café and Papu venture.



These methods listed above are employed to generate primary data for immediate research. Secondary data are collected from published external resources like Speciality Coffee Association, the National Coffee Association, European Coffee Symposium... to get an overview of current coffee market trends in general as well as in specific like Nordic coffee market.

## **3.2 Conducting Research**

### **3.2.1 Primary Data**

According to Brown & Suter (2012), there are seven general categories of collected primary information: Demographic/Socioeconomic, Lifestyle, Awareness, Motivation, Attitudes and Intention. It is necessary to understand different type of data and problems related to each data collecting process. (Brown & Suter 2012, 55.) In this section, the writer does not go deeper into how it involves each other but only to know the type of data she will face during the process. As mentioned, below are the implementation of three methods listed in previous phase:

Observation method, in this case, was developed by disguised and human approach, with no help of mechanical device. The researcher spent two separate weeks in Helsinki during June and July 2017 to observe two different Vietnamese café models in Helsinki, named Papu café and Bumi café. Papu and Bumi were both established in 2015 and have been operating profitably until now. The author chose to examine these cafés mainly because they are new Vietnamese ventures in the market and they have the same customer segments like Phin café has. The visiting occasions had been planned so that there were three visiting times for each café, falling into one weekday and two weekend days. Each time lasted from one to two hours, mostly in the brunch time of the café. The observer carefully noticed individuals' behaviours towards purchasing and their attitudes about the received services. On the other hand, in Tampere, the most popular cafes downtown were great models for research to learn from. Applying the same manner, researcher went to different but well-known cafes like Fazer, Pella and Wayne Coffee to collect relevant data. There were in total six visiting times divided equally into two times per each place. The research not only observed customers but also reviewed on products & services provided by those

chosen ventures. The observation was unstructured; however, some important details were paid attention more specifically.

Individual interviews, as a communication method, were applied in this research to capture other types of information from respondents. The interviews used semi-structured with the combination of less fixed-alternative questions and more open-ended questions. Using this approach, the researcher has gained extremely useful information on customers' explanations about why they behaved in that manner in specific circumstances. Six respondents had been chosen for sample controlling. Among those, three people were Vietnamese and three others were Finnish customers, who were Tampere residents at the time of interviews. All of them belongs to the 18-50 age group because they would be more open to adapt and accept new culture. Selected respondents were gathered separately for the interviews in café places to create more inspiring and true-feeling contexts. The interview questions used in the interviews would be summarised into a short, written form attached as Appendix 1.

Benchmarking method was deployed to compare the services that Papu and Bumi café offer to their customers. It is apparent that a brand-new venture like Phin café should learn from successful business models of existing Vietnamese café places, to make it more appealing to new customers and to create strategies to retain them. This was the result benefited from observation method. Researcher could evaluate what makes Papu and Bumi café unique in such a competitive environment.

### **3.2.2 Secondary Data**

It was important to gain a common understanding about the coffee market trends in order to keep the business up to date and to satisfy the customers' tastes. There were three levels of information, ranging from general to extremely relevant, which were broad as the world market trend to European market trend and finally Nordic market trend. The researcher has kept an eye on news and insights of the coffee industry via various trustable sources on the internet. The largest sites in coffee industry provided valuable information for researcher to design her products and services to fit with the chosen market. Examples of those sites could be European Coffee Symposium, Nordic Coffee Culture and National Coffee Association USA.

### **3.3 Research Results**

The conclusion made from the interpretation of collected data will be deployed in the business plan for Phin café. The research has yielded great advantages to the author since it helps to sketch an overview of what is happening within the food and beverage industry in Finland. In general, the researcher has recognised a potential opportunity for Phin café to have a stable position and to prosper in the café competition. Simultaneously, the discovery of the market trends also plays an important part in the business plan design. Building business around the concept of sustainability, wellness concerns and vegan friendly is the keyword for its success. In a total of twelve visiting times, the author had a chance to observe a great amount of customers, all five cafés together. To some what extent, researcher has gotten an idea on customers' behaviours and relevant phenomena. More findings can be revealed in the next chapter, in which we go further into details about how the researcher has been utilising the research results effectively. As mentioned earlier, this exploratory research is used for the purpose of understanding surrounding context and based on that create hypotheses. These hypotheses will be tested by another following quantitative research but will not belong to the scope of this thesis.

## **4 BUSINESS PLAN FOR PHIN CAFE**

A business model Canvas is created as a foundation for developing initial ideas into a complete business plan for Phin Café. The model covers nine blocks representing the most relevant factors of a business, which are key partnerships, key activities, key resources, value propositions, customer relationships, channels, customer segments, cost structure and revenue streams. It serves as a supporting document, which can be found in the Appendices section of this thesis.

### **4.1 Executive Summary**

Recognising a great need of the market for a special theme coffee, Phin café has been planning to seize this opportunity. Based on the predicted growth in coffee shop market in Finland, the venture has made the decision to take advantage of Asian culture's popularity and interests towards it, in order to open a Vietnamese café in Tampere. The main aim is to bring our culture value introduced to Finnish customers through signature food and beverages. The business will be established with the mission of delivering healthier and tastier drinks & food choices for customers. It encourages and nourishes a wellness lifestyle by offering customers with lower sugar contents and non-dairy products. By following the third-wave of coffee industry, we promise to use only Specialty Coffee along with transparent, sustainable and more direct trade method to stick to our business ethics and brand equity. Our vision is to become one of the very best and unique café places in Tampere in terms of product and service quality rated by customers.

Our target market will mainly be residents of Tampere who have stable income, including Vietnamese community here and outsider group as tourists. A market research has been done to provide the owner in-depth knowledge of phenomena relevant to prospect customers. After the research process and market analysis, products and services are designed based on current market trends. Hence, our offers are compatible with market needs but still enable the authentic origins. The business intends to apply strategic positioning through marketing mix 4P. Our business will be located in the centre to enhance the traffic volume and convenience. We decide to deploy cost-based structure for our pricing strategy in an effort to provide customers with higher perceived values than the charging prices. In the last part, a complete financial plan will be introduced to prove the

feasibility of the business as well as its profitable ability. Summarily put, the entire plan will open the owner's vision towards the business's features and its prosperous future.

## **4.2 Company Description**

### **4.2.1 Legal Structure**

The first and foremost thing that needs to do when starting a business is to decide company's legal form. According to Surakka (2012), choice of business structure completely belongs to an entrepreneur. There are certain factors affecting the owner's decision like taxation, capital requirement and number of partners. There are two types of limited company by shares, which only differentiate each other by the trading of the shares. In a public limited company by shares (in Finnish abbreviation oyj), shares are purchased and sold to the general public. On the contrary, private limited company form (abbreviation oy) is not allowed to do so. In this type of business structure, the liability of a shareholder is limited by his original investment in the company. (Surakka 2012, 90-92.) When considering the small scale of Phin café business, private limited company will be chosen as legal form of Phin café. Some advantages considering this structure are: no restriction on the number of shareholders, tax advantage and once the company becomes insolvent, shareholders only lose their investment, not their personal assets.

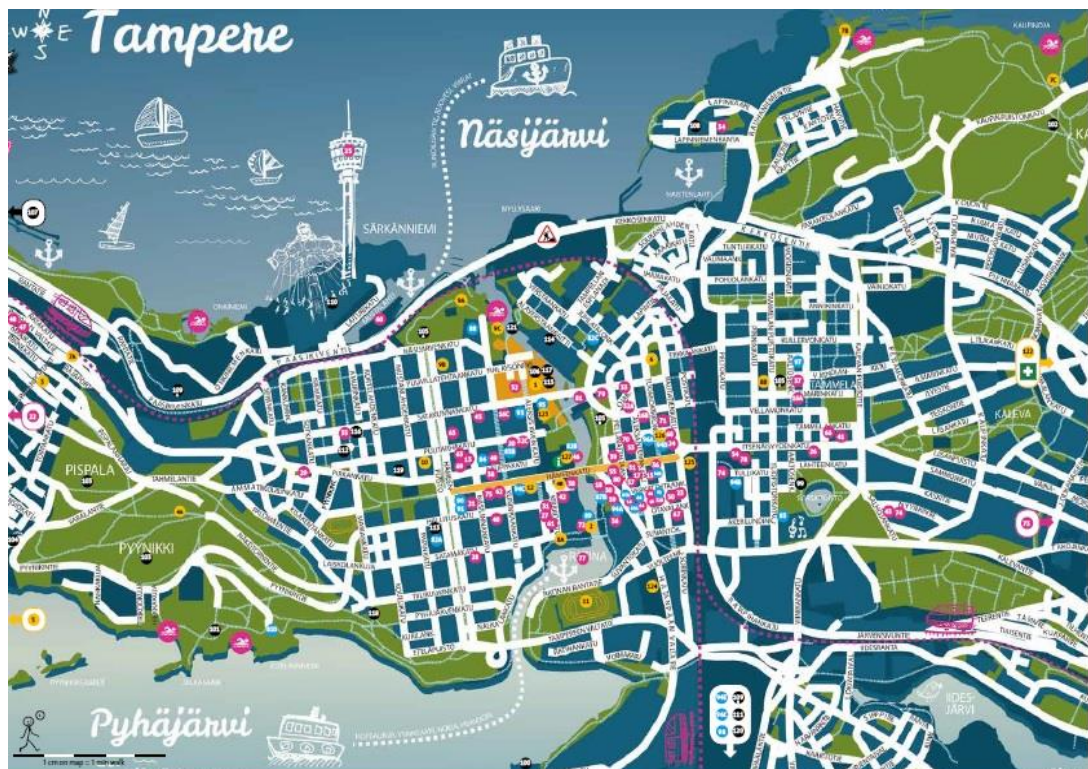
### **4.2.2 Premises and Location**

According to Business Tampere - TREDEA (2016), Tampere region is considered to be one of the most attractive place in Finland regarding education, entertainment, technology and business activities. Pirkanmaa population consists of 505,000 people (2016), which accounts for approximately 9% of Finland total inhabitants. With the great advantage of its location (between two lakes Näsijärvi and Pyhäjärvi) and the beauty of its nature, Tampere has managed to lure a great amount of tourists from Finland as well as abroad. To reach Tampere from the capital Helsinki in 1.5 to 2 hours, there are a lot of options to choose from with cheap to affordable prices like car, train, Onni bus, Express bus and flight through Tampere-Pirkkalan airport. In 2016, number of foreigners in Finland has

increased by 6% compared to 2015 figures (Statistics Finland 2017). Among those, foreigners with Asian backgrounds makes up a huge community in Finland as well as in Tampere; which can be a great source of potential customers. Together, Tampere residents and tourists will form the target customer groups of Phin café.

Another reason to choose Tampere as the business location is that the owner's family lives here and has been Tampere residents for a long time. This fact will support and contribute to the success of understanding Tampere customer behaviours. More important, there is no direct competitor in Tampere that offers the exact, same products and services of Phin café. Even though Tampere is a big city in Finland, it still remains as a calming and relaxing environment for people to enjoy their life after busy moments. When selecting business location, entrepreneur should evaluate whether it is good and convenient environment and if possible, there should be no need to relocate in the near future. Changing the location could simultaneously mean that losing the regular customers of the business.

Below is the picture 1 of Tampere Tourist Map. When tourists visit Tampere, they will be offered the map for free as a guide for them to wander around the city. Popular tourist attractions are marked there with extra explication on the brochure.



PICTURE 1. Tampere Tourist Map (Source: VisitTampere)

Entrepreneur Magazine emphasises that there are somethings that needs to deliberate before choosing location, such as: operation style, accessibility and parking, demographics, traffic volume, competition, infrastructure and utilities costs... (Entrepreneur 2015). In this Phin Café case, the business operates in Food and Beverage industry, in which premise plays an undeniably important role in business success or failure. Through the observation results, the businesses that have good locations attracting more customers than others with less convenient locations. Likewise, all of six interviewees totally agreed on that point. The ideal place for Phin Café in Tampere would be close within walking distance from the city centre and located in the Tampere Tourist Map. According to Kallio (2017), it is the heart of the whole city packing with hundreds of services offers like shops, restaurants, malls, cinemas, concert halls, music places... surrounding by historical buildings and beautiful scenes (Kallio 2017). Running the Phin café business in the centre will somewhat ensure that there is enough customer traffic passing by every day. There are a lot of public busses running to the centre from any location of Pirkanmaa Region, which enhances the easy-to-access feature of the business. It should also match with the description of Phin café for the premise, which means the area will be divided into two lounges for group customers and individual customers. Nevertheless, the better the location, the higher the price will be charged. The chosen premise should meet the functioning requirements for a café place without exceeding the budget.

### **4.3 Market Analysis**

#### **4.3.1 General Analysis – Market Trend and Growth**

European Coffee Symposium has emphasised on the continuous growing of Nordic coffee culture. It is predicted that the coffee shop market in Nordic countries will reach 1,500 outlets by 2020 due to the expansion of reputed coffee chains. Finland has the highest record of coffee consumption per capita in Europe with 12kg coffee each year and following is Denmark with 9.4kg per capita per year. In the past years, people had considered coffee as a drink to consume only at home or at workplace. However, the idea/concept has showed a significant shift in nowadays coffee drinking habits. In the context of Finnish market, there is still room for development thanks to the increase tendency of drinking

coffee “out of home”. Coming up with that, the demand is higher for the quality of products and services served in any coffee shop. Even though the branded coffee chains will outgrow in the near future, individual players will also remain its importance. (European Coffee Symposium 2015.)

Since its foundation, the coffee industry history has been through three major waves. According to Guevara (2017), the first wave was the milestone when coffee was widely consumed all over the world in the 1960s. The second wave witnessed the transformation in the way consumers perceived the value of coffee. Coffee turned out to be more as a luxury good instead of purely and simply a necessity. At this stage, the market has raised awareness about the roles of the whole supply chain behind the coffee cup such as suppliers, producers to the end users. The third wave is a tailored-made story for each and individual customer to deliver the best customer experiences through premium products and excellent services. There are certain key features possessed by the third wave coffee including more direct trade, fresh and innovative coffee brewing method, sustainable concerns and lighter roast profiles. Besides, customer service also stands out as a main component in the process of making customers feel special and unique. To complete the task of enhancing customer experiences, specialty coffee is the only approach. Based on the scale of 100 points, the Specialty Coffee Association (SCA) grades the quality of coffee bean. Coffee that is ranging from 60-79 points is labelled as commercial-grade; above it is evaluated as Specialty. Specialty Coffee is guaranteed in quality of the coffee from seed to cup, transparency and carefully handling in the whole process. (Guerava 2017.)

#### **4.3.2 Porter’s 5 Forces Analysis**

To further analyse the market, Phin café will use the Porter’s 5 forces analysis as evaluating tool. When entering a market, one of the most important thing for a business to consider is the competition level within it. In order to understand the market power, we break down elements of the framework into five sections as followed:



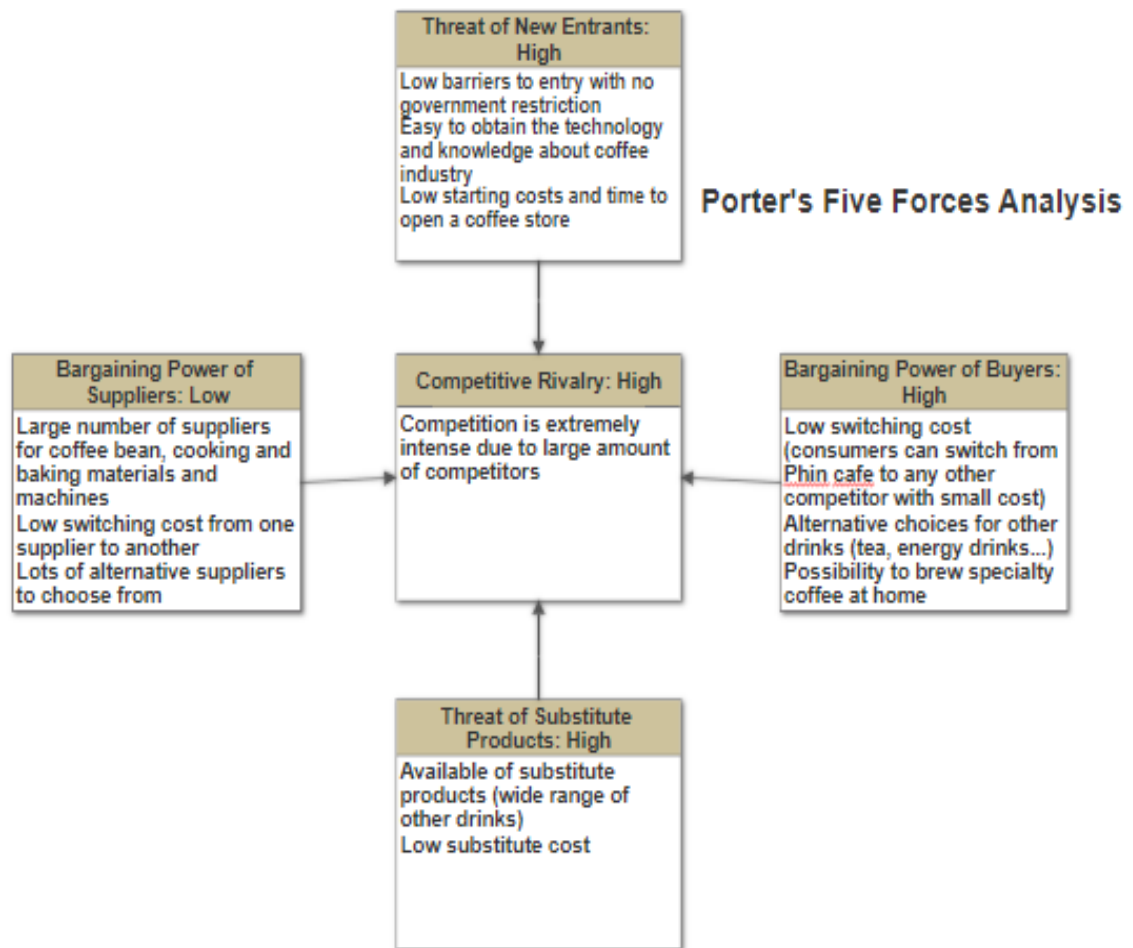


FIGURE 4. Porter's Five Forces Analysis of Phin Café

It is inevitable that Phin café will enter an extremely competitive market since there are a lot of existing and strong competitors. The disadvantages of high bargaining power of buyers, the threat of new entrants and threat of substitute products would make it challenging for the café to operate profitability in the red ocean. Nevertheless, with the determined focus and well-built strategy, Phin café has the fully right to believe in its vigorous spirit of successful growth.

## 4.4 Products and Services

### 4.4.1 Products

Transparency has been a must in the coffee industry recently. It is expected by the customers that the whole supply chain operates in a transparent way. This is a win-win situation for all relevant partners from the farmers, suppliers, producers to the consumers. It

accelerates the fairness, long-term and mutual relationships among stakeholders. Phin café put transparency as prerequisite policy to run the business. All the information related to the products as well as humans involved in the business will be free-to-ask.

Phin Café plans to offer an exotic, wide range of food & beverage products including coffee and non-coffee drinks to suit different customers' flavours. The blooming trend towards healthier and fresher tastes in food and beverage industry has created a chance for the café to step up and act distinctly compared to the existing competitors. Contemporary consumers pay more attentions to the origins and nutrition facts on each product before they decide to buy it. Kennell (2015) emphasised that according to the Nielsen survey in 2015, 90% of total 30,000 respondents are willing to pay more for value added products (Kennell 2015). Responding to the industry movement, Phin café has decided to build and shape the store brand compatible with vegan friendly and wellness products.

### *Beverages*

Coffee has become a crucial part of everyday life since decades. We have been through the development of coffee industry and have witnessed the improvement in the way we enjoy drinking it. The golden age of commercial coffee has gradually faded away, leaving room for the Specialty coffee. With the aim of bringing exceptional experiences for customers, the café promises to use only the best quality of coffee to serve its customers. And to fulfill that mission, we carefully select qualified suppliers in Finland to purchase Specialty Coffee products. There are some supplier names that can be mentioned like Johan & Nystrom, Kaffa Roastery... Their coffee is handled with excellent cares, together with self-roasted methods to ensure the great flavour from plant to cup. The very good reasons to choose suppliers from Finland are to show the willingness to support local companies, as well as to take advantages of the freshness of local coffee.

Vietnamese people usually prefer strong coffee to drink; however, based on the market trends and results from interviews, the store will adapt to Finnish culture and keep the coffee profiles from light to medium roast. The uniqueness in Phin café products, compared to others, comes not only from the coffee itself but also from the brewing method. The store will use Phin Coffee filter, an authentic Vietnamese tool for brewing coffee using the slow brewing technique. Water slowly drips through the filter chamber, in which grind coffee is pushed down under the filter press and on top is covered by the lead to keep the water degree inside remaining hot. It takes from four to five minutes to extract

the best flavour and customers can enjoy watching every drop of the coffee while waiting for it. The coffee will be served with condensed milk or fresh milk depending on customers' favours. Applying the same technique, cappuccino and café latte can be made with different level of warm milk and milk foam on top. Below is a picture showing the Phin Coffee filter and how it works.



PICTURE 2. Vietnamese Phin Coffee Filter (Source: Hotdeal.vn)

Another product line of coffee that Phin intends to develop is blended coffee with flavour. The classic combination recipes of café blended with caramel or chocolate has driven the coffee industry for a long time; yet, it remains as popular until now. However, Phin wants to bring a new experience to its customers with healthier but still flavourful alternatives, such as cinnamon, almond, cashew nut, hazelnut and green tea matcha. These ingredients are predicted to take over the positions of sweet, full of sugar caramels and chocolates. Besides the coffee drinks, the store also introduces interesting menu for non-coffee drinkers but still provide full energy for the working day ahead with blended energy powder. A plant-based drink menu with variety of choices would be the best option to describe the brand positioning for vegan-friendly and wellness. Menu will cover smoothies (mixed between different fruits), coconut water, coconut milk drinks, sodas and teas. In Asia, especially Thailand and Vietnam, coconut water is consumed as indispensable daily drink. According to Zelman, it is an optimal solution for drinks since coconut contents natural fat, low calories and free from cholesterol. It has sweet taste and help to keep our body hydrating. (Zelman 2017.) For the tea section, the store will sell normal teas and special bubble teas. Bubble tea is a reputed drink with the origin from Taiwan designed for young generation. It drives a powerful beverage wave in Asian community for many

years. Originally, bubble teas are made with green tea or black tea, together with dairy cream or non-dairy cream. At Phin, we spend great amount of time to create and test the most suitable flavour in the art of tea for Finnish market and at the same time, to keep it authentic Asia.

To sum up, the whole drink menu will be vegan oriented by using plant-based products with non-dairy milk and cream. The taste may vary differently compared to drinks using dairy products. However, there is always an option of dairy milk for person who enjoys it. Furthermore, we fully give customers with free choice of sugar level (from zero-sugar, 25% to complete 100%) and drink size (small or medium size). We make it to be tailored-made solution for each customer because to us, one person matters.

### *Food and Pastry*

Drinks and pastries are the perfect couple to go for. Through observation, almost 70% of customers bought somethings to eat with the drink. With the passion for sweet and pastry, our team are skilful bakers graduated from short-term professional baking courses. We will serve Asian and Western pastries rotationally. Firstly, we focus on mastering these basic product ranges. When customers get used to it, we will put efforts in trying to extend the product lines to meet requirements for new demands. Due to the small scale of business, we do not provide full set for lunch service. However, food and snacks will be offer on-site as breakfast or brunch. For light meal options, we have Finnish style sandwiches, salad boxes and “Goi cuon” (Summer Rolls-different from Spring rolls). For brunch menu, we suggest Banh mi (Vietnamese bread) and Pho noodle (a signature, world-wide popular Vietnamese dish) cooked in chicken or beef broth. The popularity and famousness of Pho and Banh mi have made it easier for Phin to introduce authentic versions to Finnish market. The following pictures will demonstrate the glamour, attractive of those dishes.



PICTURE 3. Vietnamese Signature Dishes (Source: Vietworldkitchen.com)

### *Seasonal Products*

At Phin, we understand customers' needs. In different time of the year, customers will have different favours towards drinks. There are some special events happening during the whole year like New Year, Valentines, Labour day, Halloween, Christmas time... Drinks will be served depending on the season of the year also. Summer comes with ice drinks and winter goes well with hot drinks. For example, people prefer to order a glögi when the Christmas time is nearby or a Halloween themed beverage with pumpkin spicy

flavour. There should be gift boxes with sweet treats and cookies on-sale so that customers can buy it for themselves or for their families.

#### **4.4.2 Services**

Services play an important role in overall customer satisfaction. This is the only place where business can create contact with customers. It is said that it takes less costs to retain the loyal customers than acquire new ones. Some people turn to be regular customers because they feel familiar and connected with the employees. They are looking for a service where quality and consistency can be met. Understanding that, Phin's employees will be geared up properly with professional service trainings and adequate knowledge about coffee to be able to tell the story behind it. In addition, it is necessary for Phin staffs to be prepared for unexpected situations happening during the services. At Phin, we only accept to have one of the best customer services.

### **4.5 Marketing Plan & SWOT Analysis**

#### **4.5.1 Customer Segmentation**

According to Hooley, Piercy & Nicoulaud (2012), market segmentation is the method that marketers use to divide customers, based on their similarities, into different groups. Certain groups have certain behaviours which can be explained by the group features. Company can gain notable benefits from segmentation like: find out the unserved or underserved markets; depending on that, develop products and services by utilising company competencies to fulfill and match with the market needs. (Hooley, Piercy & Nicoulaud 2012, 183.)

Phin business has targeted three groups of potential customers as its market segments. These groups compose of:

- Tampere residents: who study, work and stay in the city. Their characteristics are best described by following greener and healthier lifestyle. This group of people is into culture, fair-trade and wellness of life. They have stable income and they

are willing to pay higher price for worthy products and services. It is predicted that this segment will make up to 60% of prospective consumers.

- Vietnamese community: there are great amount of Vietnamese people in Tampere. Even though there is no concrete number but approximately over seven hundred. Some Vietnamese restaurants has been existing for years but none of them is selling authentic Vietnamese food. During the time living in Tampere and contacting with Vietnamese people here, including students who only stay for some years of studying, the owner has been listening to their wishes of a gathering place with Vietnamese friends. Recognising the need for that, Phin café has decided to seize this opportunity to cover the unserved market. This group is estimated to account for 20% of customer volume.
- Tourists: this group is growing bigger and bigger through time. Recently, there are more tourists coming from different continents to get to know Finland. When visiting a place, travellers have tendencies to spend generously on food and beverages. As a result, they will keep priority for destination of culture, history and good foods & beverages combining. According to the author's observations; a themed café is always more attractive to a tourist than a regular one. Some places in Tampere that can be named by its fame like Pyynikin Näkötorni Kahvila, Purnauskis (Finland first cat cafe), Fazer cafe... Each place has its own unique and competitive positioning.

#### **4.5.2 Marketing Mix**

A marketing mix is a customer oriented marketing strategy applied for brand positioning to compete with other rivals. This is a strategic choice for company to differentiate themselves in the red ocean market. Typically, the term considers 4P mix including Product, Price, Promotion and Place. Together, Phin café has positioned itself as followed:

##### ***Products***

Products are developed to solve customers' problems and to meet customers' expectations. Customer chooses one product instead of another due to many complicated reasons (cheaper price, well-known brand, higher quality, personal favours, emotional covert reasons...). A combination of rational and emotional factors forms the purchase decision.



The most important key to success in the bloody competition is product/service differentiation. It allows your offers to stand out and be unique from market existing products. However, the competition gets tougher in the modern life due to the widespread of technology and Total Quality Management method. (Hooley, Piercy & Nicoulaud 2012, 294-295.) Applying to Phin café case, the coffee shop market has been in an overloaded situation in Tampere. There are many cafés on the street but some of them do not have competitive distinctions over competitors' due to the similarity in products and services. Yet, it is challenging to differentiate core products and services of one coffee shop to another's. Fortunately, Phin has some slight advantages by launching new product lines (Specialty Coffee brewed by Vietnamese method, Bubble teas, Coconut drinks and signature country dishes) that have never showed up in Tampere. At the same time, customer services will also be put on scales with the stress on well-trained and cognizant staffs about Specialty coffee. This is a totally new concept for local customers, which is believed to deliver added value to our products. The unfamiliar ideas can bear some risky factors that required deliberate management. Any new product will ultimately go through its life cycle including six stages: Pre-launch, Introduction, Growth, Maturity and Decline. At Phin, we aim to build a long-lasting product life but we will adjust and adapt in compliance with customers' demands.

### *Prices*

When it comes to pricing strategies, Phin café has decided to choose cost plus pricing method. Hooley, Piercy & Nicoulaud (2012) emphasise that this method is simple and it takes less effort to set on, just by adding a percentage mark-up to the cost. The cost-based method does not reflect on the perceived value of products. If customers are conscious about the value of products greater than the set prices, it is likely that products are more attractive in their eyes. (Hooley, Piercy & Nicoulaud 2012, 307.) Gradually recovering from global financial crisis, Finnish economy has showed some positive side through annual growth (Milne 2017). However, customers are still prudent towards money spending; therefore, it is noteworthy to set competitive prices compared to other rivals. Setting prices too high or too low can lead to serious problems; hence it is important to get it right in the beginning.

### *Place*

The product and service delivery will happen directly to customers through the physical store. Since it is the only delivery channel that Phin will apply, it is strictly important



about store location. Choosing business premise has been discussed in the Premise and Location section above. At this point, we will not take website into consideration but through time and further business expansion, coffee packs and tea products can be sold through our website. When business is settled down, we will connect with Foodora, Wolt and ResQ to have online solutions for customers who want to save time or money by pre-ordering, takeaway or home delivering service. Robert's coffee is a successful example of utilising these online channels for food/coffee and food-waste handling.

### *Promotions*

As a new business, getting people to know about Phin café is an essential part. With a good location (centre area of Tampere), the store has a privilege towards raising customer awareness. Pedestrians can easily notice the business location by walking pass the streets. With limited budget for communication activities, we opt into sales promotions and social media advertising tools. In the first month of opening, there will be bargaining deals posted on Let's deal and Offerilla. These are the two branded websites in Finland to look for good offers from stores. Many restaurants here in Tampere have had their sales offers with discount prices for the grand openings like Pizza Hut, Itsudemo, American Dinner... It is a traditional but effective way to raise customer curiosity about new business. The Phin store will sell the deal with 20% discounted for a combo of one food and one drink.

Along with that, the cafe will run advertisement on Facebook and Instagram to target customers located in Tampere. Thanks to the advance of technology, it is easier to sort out and marketing directly to the chosen groups without spending heavily on it. Phin social media page will be created as a main communication tool to connect with customers. Since everyone is using Facebook and Instagram nowadays, it makes the job of engaging customers with your business less challenging. Sometimes, people will choose to review about your products or services through the Facebook page, which provides business the opportunity to assess customer satisfaction. Word-of-mouth and viral marketing methods have never been out-of-date. Customers will get certain benefits when recommending/taking their friends to try out Phin café and sharing our contents/events through social media.

### 4.5.3 SWOT Analysis

STRENGTHS	WEAKNESSES
Exotic and authentic Vietnamese foods and beverages Transparency in information and process Be able to deliver the story behind the coffee cup applying Specialty coffee Extremely vegan-friendly and wellness	Prices can be higher due to finest quality of raw materials New to the market and competition Demand bigger budget for expansion Products and services take more time to be widely accepted
OPPORTUNITIES	THREATS
To be a meeting point between Vietnamese and Finnish culinary culture Ability to appeal customers that have healthy lifestyles than other competitors Business ethics and brand equity	Local reputed brands from rival companies Unstable economy – up and down time can cause decrease in demands for “out-of-home” coffee

FIGURE 5. Phin Café SWOT Analysis

## 4.6 Financial Plan

Financial forecasts help entrepreneurs to justify the feasibility of their business plans. Bankers and investors will look at these number and figures projected in plan to decide whether it is a profitable business or not. In order to develop financial plan, capital required estimation is considered to be the first step. A new business should not underestimate the initial costs of start-up and operating expenses. Unexpected additional costs can appear without any prediction can cause severe affects to business cashflow particularly when there is a shortage in sales. It is wise to evaluate and reserve a generous amount of money for extra costs. It takes time for a new business to run profitably, therefore entrepreneur should be prepared in advance to have enough capital for at least six months of beginning operation. Moreover, it is recommended to have a 25% surplus of required capital to fund unforeseen expenses. (Patsula 2004, 253.) Below are the tables of estimated total capital required for Phin café at the very beginning stage to run in half year of opening. First, we calculate the Initial Startup expenses including one-time cost items. Later, we add the monthly start-up operating expenses along with the 20% extra fund for unexpected situation.

TABLE 1. Estimated Initial Start-up Costs

ITEM	CAPITAL COSTS (Euro)
Company Registering	250
Rental Payment (Per month)	1,400
Rental Deposit	1,400
Interior Decoration + Furniture	10,000
Machines and Equipment	14,000
Opening Inventory	4,500
(Pre-Opening) Advertising and Marketing	300
Insurance	400
Other Expenses	1,000
<b>TOTALS</b>	<b>33,250</b>

TABLE 2. Monthly Startup Operating Expenses

ITEM	Estimate of Monthly Ex- pense	Total Cash Required (6 months)
Rent	1,400	8,400
Inventory	3,000	18,000
Advertising	100	600
Utility Expenses	100	600
Bank fees	40	240
Depreciation	150	900
Salary	3000	18,000
Delivery	0	0
Other Expenses	150	900
<b>TOTALS</b>	<b>7,940</b>	<b>47,640</b>

The total suggested start-up capital require for Phin is equal initial costs plus estimated expenses of six months operating added with 20% of total sum. Together, we get  $(33,250 + 47,640) \times 1.2 = 97,068$  Euro. The owner and her husband have 70,000 euro as owners' equity. There is still 27,068 euro needed to actually turn the business on. The plan is to borrow all the rests from both sides parents and maybe from bank when needed. Since the bank lends money with extra interests, we seek for helps from relatives and friends first. Figure 5 below shows the business three-year projected income statement.

FIGURE 6. Phin Café Three-Year Projected Income Statement

	Year 1	Year 2	Year 3
	€ 129,600.00	€ 162,000.00	€ 194,400.00
<b>Total Sales</b>	€ 129,600.00	€ 162,000.00	€ 194,400.00
Material Cost and Direct Labor cost	€ 31,000.00	€ 35,400.00	€ 39,780.00
<b>Cost of Goods Sold</b>	€ 31,000.00	€ 35,400.00	€ 39,780.00
<b>Gross Margin</b>	€ 98,600.00	€ 126,600.00	€ 154,620.00
<b>Operating Expenses</b>			
Advertising	€ 1,200.00	€ -	€ -
Insurance	€ 400.00	€ 450.00	€ 500.00
Bank fee	€ 480.00	€ 550.00	€ 600.00
Rent	€ 16,800.00	€ 17,500.00	€ 18,100.00
Utilities	€ 1,200.00	€ 1,300.00	€ 1,400.00
Website	€ -	€ 1,000.00	€ 500.00
Depreciation	€ 1,800.00	€ 2,600.00	€ 3,500.00
Other	€ 1,800.00	€ 2,500.00	€ 3,000.00
Salaries	€ 36,000.00	€ 45,000.00	€ 50,000.00
<b>Total Operating Expenses</b>	€ 59,680.00	€ 70,900.00	€ 77,600.00
<b>Net Profit</b>	€ 38,920.00	€ 55,700.00	€ 77,020.00
<b>Tax Incurred (14%)</b>	€ 5,448.80	€ 7,798.00	€ 10,782.80
<b>Net Income</b>	€ <b>33,471.20</b>	€ <b>47,902.00</b>	€ <b>66,237.20</b>

## 5 DISCUSSION

Conclusions drawn from the work will be the answers for the set of research questions defined in the beginning of research process and suggestions for development. According to this studying, it is highly likely that there is room for Phin business to operate successfully in the target market despite of the intensive competition. Based on the results from market research and market analysis, the venture has decided on its competitive strategy by adding extra value to existing market offers in terms of exotic, wellness and vegan-friendly items. The consumption trending towards healthier products has led the business to make the right decision. SWOT analysis has helped to determine its internal and external factors as well as negative and positive features of the business.

The business plan will be the very first guiding principles for Phin café to achieve its set goals. Along with the business growth, further suggestion for business operation would definitely be the development towards E-commerce direction. It means that Phin café will establish and maintain relationships with other online services providers like Foodora, ResQ and Wolt to create better solutions for service delivery and to deal with leftover food. Furthermore, a website will also be built as an online selling channel in the near future.

In general, the thesis was successfully done when the purposes and objectives of the thesis were met. The products and services design are inspired by the findings of qualitative research method. Therefore, there is certain limitations like affection of researcher's bias, research complexity and its feature of not applicable to general context. Hence, the next recommending step is to carry out another quantitative research to test the hypotheses yielded from this work.

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## APPENDICES

### Appendix 1. Open-ended Questionnaire for Interviews

#### Phin Cafe's Interviews with Potential Customers

1. Your Age and Job

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2. How often do you go to cafe?

---

3. Who do you usually go with and for what purpose?

Mark only one oval.

☐

Alone, Because:

☐

Friends, Because:

☐

Other:

---

4. What makes you choose one cafe instead of others?

---

5. What are your favorite cafes currently?

---

6. During using their products and services, is there any inconvenience you have faced? Do you wish to change or add some more features to them?

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7. Would you be interested in a Vietnamese cafe? If so, what do you expect from it (considering Products/Services/Atmosphere/Location)?

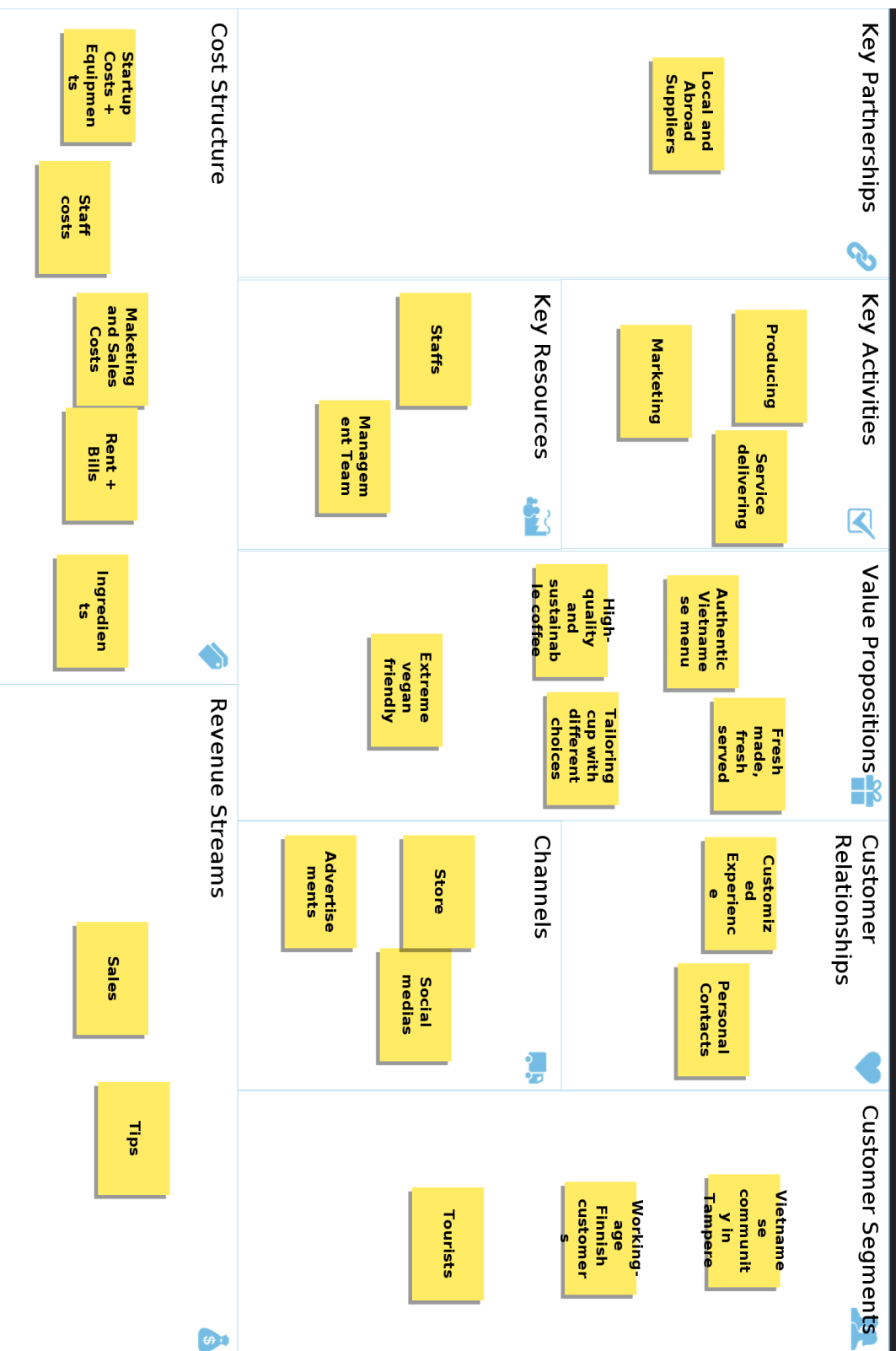
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8. Other questions will be tailored according to the answers that respondents have given to the previous question

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## Phin Cafe Business Model



Appendix 2. Phin Café Business Model Canvas

## Appendix 3. An Example of Phin Café Menu

# Phin Cafe

## Vietnamese Signature

### COFFEE DRINKS

Vietnamese Special Coffee	3eu
Cafe Latte	5eu
Cappuccino	4eu
Blended Coffee <i>(Almond, Hazelnut, Caramel flavor)</i>	5eu
SIGNATURE Egg Cafe	4eu

ICE / NO ICE OPTION

### OTHER DRINKS

Bubble Tea <i>(Jasmine, Honey, Matcha, Rosy flavor)</i>	5eu
Coconut Drink	4eu
Smoothies	5eu
Soda Drinks	4eu

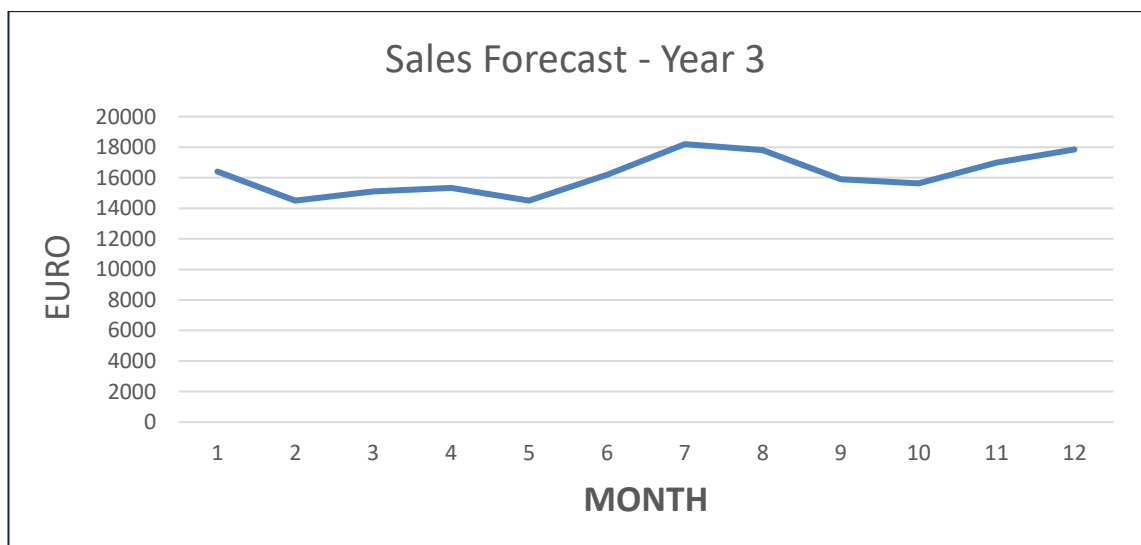
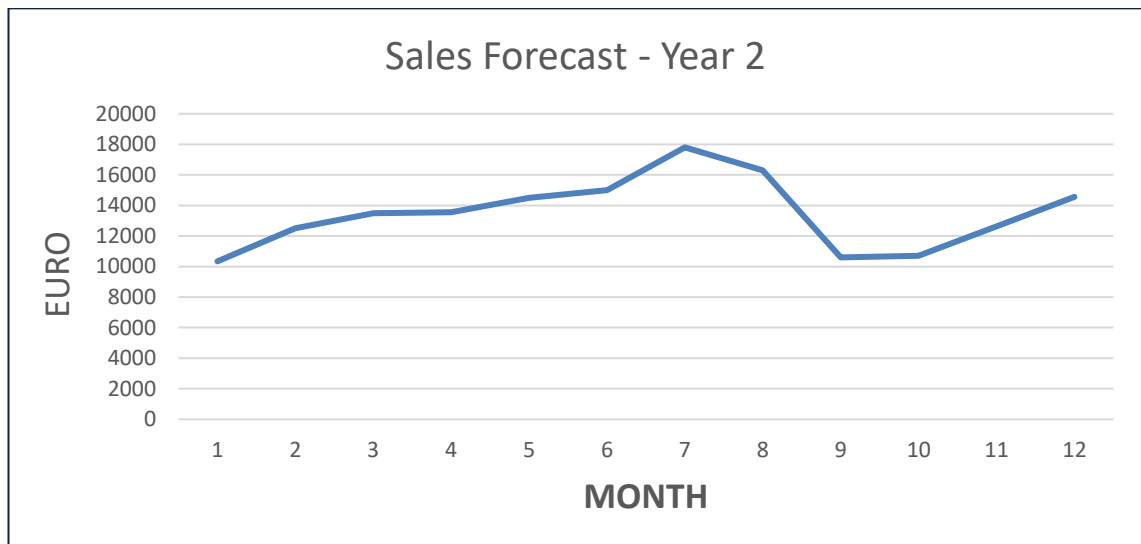
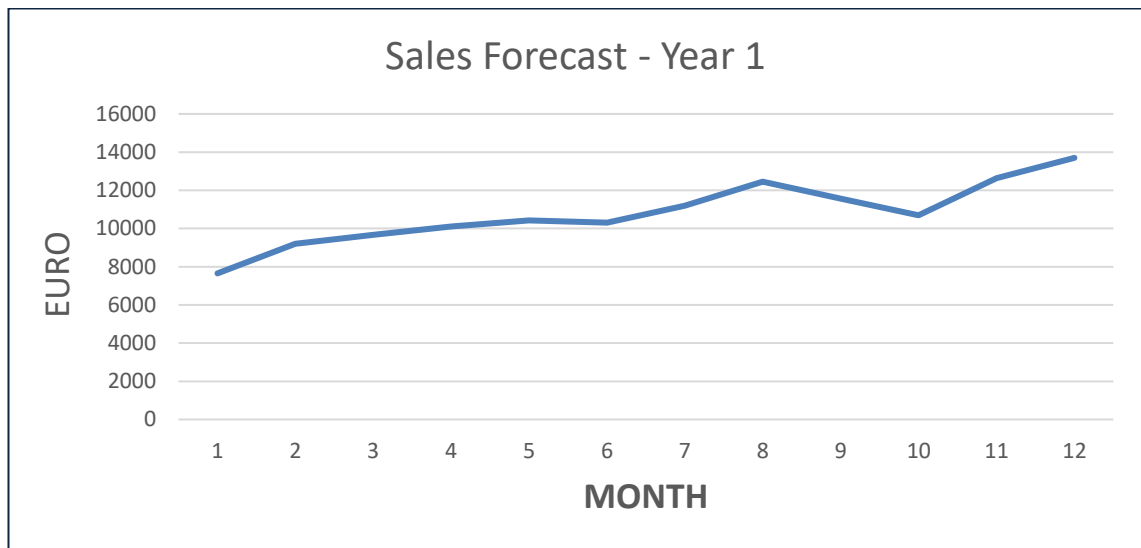


**Topping Option: Cheese Foam, Fruit Jewels, Cream. All drinks have vegan option. Ask for more !**

**10% off for drinks + sweets combo**

Only apply for Phin Cafe loyalty card

## Appendix 4. Sales Forecast in three-year-period



## Appendix 5. Projected Balance Sheet in The End of The First Fiscal Year

<b>Current Assets</b>	
Cash	75,221
Inventory	3,000
Accounts Receivable	0
<b>Total Current Assets</b>	<b>78,221</b>
<b>Non-current Assets</b>	
Equipment & Furniture	22,200
Depreciation Accumulated	1,800
<b>Total Non-Current Assets</b>	<b>25,800</b>
<b>Total Assets</b>	<b>104,021</b>
<b>Liabilities and Equity</b>	
Current Liabilities	
Account Payable	0
Short-term Loan	0
<b>Total Current Liabilities</b>	<b>0</b>
Long-Term Liabilities	
Loans (from parents)	27,068
<b>Total Long-term Liabilities</b>	<b>27,068</b>
<b>Total Liabilities</b>	<b>27,068</b>
Shareholder's Equity	
Paid in Capital	70,000
Retained Earnings	6,953
<b>Total Shareholder's Equity</b>	<b>76,953</b>
<b>Total Liabilities and Equity</b>	<b>104,021</b>